

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2240 - SB 2158**

March 27, 2009

**SUMMARY OF BILL:** Requires the Department of Safety (DOS) to issue state identification cards when requested by individuals who make application, provide proof of identity, and proof of residence. Requires the Commissioner of Safety to charge an application fee of \$500 per card for adults and \$250 per card for minors and seniors who present proof of age. Authorizes the Commissioner to grant reduced fees or waivers of fees for certain low-income applicants. Identifies specific documents which are necessary for establishing proof of identity, residence, and age.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue -**

**\$6,053,500/FY09-10**

**\$3,632,200/FY10-11**

**\$2,421,500/FY11-12 and Subsequent Years**

**Increase State Expenditures -**

**\$777,100/FY09-10/Dept. of Safety**

**\$425,100/FY10-11/Dept. of Safety**

**\$248,000/FY11-12 and Subsequent Years/Dept. of Safety**

**Exceeds \$450,000/FY11-12 and Subsequent Years/General  
Fund**

**Assumptions:**

- Based on statistics from the U.S. Census and U.S. Department of Homeland Security, it is estimated that there are approximately 61,329 undocumented aliens residing in Tennessee that would be eligible for the state identification card as proposed in this bill.
- The number of undocumented aliens residing in Tennessee remains constant in subsequent years.
- Twenty-five percent (15,332) are estimated to acquire state identification cards in FY09-10; 15 percent (9,199) are estimated to acquire state identification cards in FY10-11; and 10 percent (6,133) are estimated to

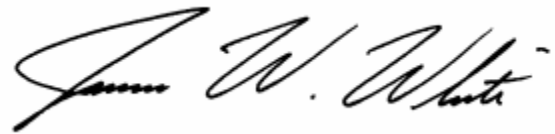
acquire state identification cards in FY11-12 and in each subsequent fiscal year.

- According to the U.S. Census, the poverty rate in Tennessee is 15.8 percent. Therefore, 15.8 percent (2,422) will receive application fee waivers in FY09-10; 1,453 will receive application fee waivers in FY10-11; and 969 will receive application fee waivers in FY11-12 and in each subsequent fiscal year.
- It is estimated that 12,910 will pay application fees in FY09-10; 7,746 will pay application fees in FY10-11; and 5,164 will pay application fees in FY11-12 and in each subsequent fiscal year.
- Of the individuals who pay application fees, it is estimated that 16 percent will be either minors or seniors for the purpose of paying the reduced application fee of \$250. Therefore, it is estimated that 2,066 will pay the reduced application fee in FY09-10; 1,239 will pay the reduced application fee in FY10-11; and 826 will pay the reduced application fee in FY11-12 and in each subsequent fiscal year.
- Of the individuals who pay application fees, it is estimated that 10,844 will pay the full application fee of \$500 in FY09-10; 6,507 will pay the full application fee in FY10-11; and 4,338 will pay the full application fee in FY11-12 and in each subsequent fiscal year.
- In addition to application fees, DOS indicates that all applicants will still be required to pay the \$7.50 license fee.
- The total increase to state revenue for FY09-10 is estimated to be \$6,053,500  $[(10,844 \times \$500) + (2,066 \times \$250) + (15,332 \times \$7.50) = \$6,053,490]$ .
- The total increase to state revenue for FY10-11 is estimated to be \$3,632,200  $[(6,507 \times \$500) + (1,239 \times \$250) + (9,199 \times \$7.50) = \$3,632,243]$ .
- The total increase to state revenue for FY11-12 and each subsequent fiscal year is estimated to be \$2,421,500  $[(4,338 \times \$500) + (826 \times \$250) + (6,133 \times \$7.50) = \$2,421,498]$ .
- It is estimated that DOS will require 17 additional Driver License Examiner positions to implement the provisions of this bill for FY09-10. DOS could reduce the number of additional positions to 12 for FY10-11 and further reduce the number to seven positions for FY11-12 and subsequent fiscal years. One-time state expenditures associated with these positions is estimated to be \$52,700 (computers, software, equipment, etc.).
- The increase to state expenditures related to the additional positions in FY09-10 is estimated to be \$602,200 (\$365,200 salaries, \$160,500 benefits, \$76,500 other); the increase to state expenditures for positions in FY10-11 is estimated to be \$425,100 (\$257,800 salaries, \$113,300 benefits, \$54,000 other); and the increase to state expenditures for positions in FY11-12 and subsequent years is estimated to be \$248,000 per year (\$150,400 salaries, \$66,100 benefits, \$31,500 other).

- Additional one-time state expenditures of \$122,200 for computer and software modifications (\$24,800), developing new identification card format (\$50,000), training (\$10,000), marketing and promotions (\$15,000), new pledge forms (\$2,500), and modifications to testing devices (\$19,900).
- Pursuant to Section 1, subsection (g) of this bill, the state is expected to incur additional recurring state expenditures beginning in FY11-12 as a result of working with federal agencies to help cardholders become U.S. citizens. Such expenditures are assumed to be paid from the General Fund and are estimated to be at least \$100 per cardholder pursuing citizenship.
- A minimum of 4,500 cardholders will pursue citizenship each year beginning in FY11-12.
- The increase to recurring state expenditures beginning in FY11-12 is estimated to exceed \$450,000 per year ( $4,500 \times \$100 = \$450,000$ ).

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc